

First of all, we need money. Secondly, that money should come fairly from the sources of income. I still maintain that it's the middle income groups in this state and in the country that pay the load of taxes. It's not necessarily the middle income groups that get all the benefits. Now, Senator Keyes, can you answer a question or two? Is the amendment the bill, first of all?

SENATOR KEYES: The amendment becomes the bill.

SENATOR MARVEL: Well what does the amendment do, briefly, that the bill didn't do, or vice versa?

SENATOR KEYES: The bill, . . . and I thought I had it drafted that way, would tie the corporate tax to the income tax. When the percentage of income tax went up the same percentage would go up on the corporate. It didn't do that, so we tied it in and that's what the amendment does.

SENATOR MARVEL: Well now does your amendment throw the corporate income tax out of kilter with other states?

SENATOR KEYES: In 1974, Senator Murphy talked on this, there was no state in the United States that had a lower income tax rate . . . corporate income tax rate than we did, except Arizona and Arkansas. They started at 8, Arizona started 2 and went to 8. Arkansas starting at 1 and went to 6. Now there are 5 states in the United States that have no corporate income tax at all. Senator Murphy lives close to South Dakota.

SENATOR MARVEL: How much money will this raise, if it's passed, roughly?

SENATOR KEYES: It depends on whether we leave the private income tax at 10 percent. It will raise, as I understand it, in the vicinity of \$9 million. Now this is not on a cash flow, this is per year. If we raise the private income tax to 13 percent then it will be in the vicinity of 12 or 13 million.

SENATOR MARVEL: Well the . . . your amendment is a graduated or a progressive tax. Right?

SENATOR KEYES: It is close to the private income tax until the corporation makes \$75,000. From there on it is not a graduated tax. It gets no bigger, but the private income tax, above \$75,000, does increase.

SENATOR MARVEL: Do you have comparative figures available, or is there a source where we can get comparative figures as to what other states are doing? The reason I ask this is I may vote for this, but I want some additional information before I support it beyond General File.